

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2001, the register of substantial shareholders maintained pursuant to Section 16(1) of the SDI Ordinance showed that, other than the interests disclosed above in respect of a Director, the following shareholders had an interest of 10% or more in the share capital of the Company:

Name of shareholder	Number of Shares held		Percentage of issued share capital
	Direct interest	Deemed interest (Note)	
Pacific Dragon Services Limited	113,212,362	–	15.39%
Lo Kit Lun, Frank	45,500,000	113,212,362	21.58%

Note: This represented the deemed interest in 113,212,362 shares in the Company held by Pacific Dragon Services Limited on behalf of the trustee of a unit trust of which Lo Kit Lun, Frank is an eligible beneficiary.

Other than as disclosed above, the Company has not been notified of any other parties with interests representing 10% or more of the Company's issued share capital.

SHARE OPTIONS

Pursuant to a share option scheme which was approved and adopted at a special general meeting of the Company held on 20 November 1991, the Company may grant options to Directors of the Company and employees of the Group to subscribe for shares in the Company, subject to a maximum of 10% of the issued share capital of the Company from time to time. The subscription price of the option shares is the higher of the nominal value of the shares and an amount which is not less than 80% of the average of the closing prices of the shares on the five trading days immediately preceding the date of the grant of the options. The options are exercisable at any time during the period commencing on the second anniversary of the date of grant of the option and expiring at the close of business on the day preceding the tenth anniversary of the date of adoption of the share option scheme.

Details of the options granted to employees (other than Directors) under the aforesaid share option scheme are as follows:

Date of grant	Exercise period	Exercise price <i>HK\$</i>	Number of share options		
			At 1.7.2001	lapsed on 19.11.2001	At 31.12.2001
23 December 1991	23 December 1993 to 19 November 2001	0.87	925,000	(925,000)	-
21 October 1997	21 October 1999 to 19 November 2001	0.23	5,500,000	(5,500,000)	-
			6,425,000	(6,425,000)	-

No options under the scheme were granted, exercised or cancelled during the period. All the unexercised options under the scheme were lapsed on 19 November 2001.

A new share option scheme was approved and adopted at a special general meeting of the Company held on 22 November, 2001, pursuant to which the Company may grant options to Directors of the Company and employees of the Group, and any suppliers, consultants and advisers who will or have provided services to the Group, to subscribe for shares in the Company, subject to a maximum of 10% of the issued share capital of the Company as at 22 November, 2001 and the maximum number of options granted to any one individual in any 12-month period shall not exceed 1% of the issued share capital. The purpose of the new share option scheme is to enable the Company to grant options to selected participants as incentives and rewards for their contribution to the Group. No consideration is payable on the grant of an option. Options granted must be taken up within 14 days from the date of grant. The subscription price of the option shares is determined by the Directors of the Company, and will not be less than the highest of the nominal vale of the shares, the closing price of the shares on the date of grant and the average of the closing prices of the shares on the five trading days immediately preceding the date of the grant. The options are exercisable at any time during the period commencing on the second anniversary of the date of grant of the option and expiring at the close of business on the day preceding the tenth anniversary of the date of adoption of the share option scheme.

No share options under the new share option scheme were granted, exercised or cancelled during the period.